BUDGET SPEECH
1964-65

Sri M. Bhaktavatsalam

Chief Minister

29th February 1964

GOVERNMENT OF MADRAS

FINANCE DEPARTMENT

Speech of Sri M. Bhaktavatsalam, Chief Minister, presenting the Budget for 1964–65 *to the Madras Legislature on 29th February* 1964.

Sir,

Introductory

I rise to present the Budget Estimates for 1964–65. The Accounts for 1962–63 and the Revised Estimates for the current year are also before the House. My last Budget was presented under the shadow of the emergency caused by the Chinese aggression and reflected, in a measure, the impact of the emergency on the State's resources and expenditure. The decision of the Central Government, in the context of the National Emergency, to limit the assistance for the Plan for the current year to more or less the same level as in 1962–63 affected the State's resources. At the same time, the State Government had to assume certain additional responsibilities for strengthening general administration and organising civil defence. Increased provision had to be made for the strengthening of the Police force, particularly the Armed Reserves. We also took steps to form Home Guards and augment the strength of the National Cadet Corps. Taking note of the combined needs, both of defence and development, we also initiated action for accelerating the programmes for

training of skilled manpower. Increased outlays had also to be made for agricultural production and generation of power. I am glad to be able to report that these objectives have, in a large measure, been realised. The units of Special Armed Police which had been sent to forward areas have given a good account of themselves in relieving the Army of some of its responsibilities. The programmes relating to agricultural production have also registered a fair measure of success as brought out in the Mid-Term Appraisal of the Plan. Schemes for generation of power have gathered considerable momentum and some of them are in fact being commissioned ahead of schedule. An additional block of 55 MW of power from Kundah Power Houses I and II is being added to our grid in the current financial year.

Increase in Plan Outlay.

2. While recognising that the best way of supporting defence effort would be to step up developmental programmes, we had however fixed the outlay on the Plan for the current year at the somewhat modest level of about Rs 60 crores. We did not want to embarrass the Government of India with requests for larger Central assistance at a time of threatened aggression on our frontiers. If the emergency had continued in its acute form, difficulties in getting equipment and building materials might in any case have held up our projects. Fortunately, with the stalemate on our frontiers the worst apprehensions did not materialise and we were able to accelerate the pace of execution of important projects like the Kundah and the Mettur Tunnel Hydro-Electric Schemes and the Parambikulam-Aliyar Project. This development, though pleasing, has caused some embarrassment to Government for we have been obliged to find resources in the current year for a Plan outlay of well over

Rs 68 crores. The fulfilment of a Plan significantly larger than originally budgeted for, has naturally caused considerable strain on the Government's ways and means. These difficulties are being overcome with the co-operation of the Planning Commission and the Government of India, both of whom are deeply appreciative of the rapid progress we are making on important Plan projects.

3. The Budget Speeches in previous years had dwelt at length on the progress of schemes included in the Plan, and naturally so, because the Budget is now an instrument for the realisation of the objectives and targets of the Plan. But as the House has only two days back been given a detailed account of the progress of the Plan during the debate on Mid-Term Appraisal, I shall content myself with the observation that the Plan is being fulfilled according to schedule and that in fact some of the core projects are well ahead of schedule.

Problems of a planned economy.

4. I am aware that while there is wide-spread satisfaction about the fulfilment of the Plans, there is a measure of concern about the stresses and strains which the Plan has thrown up. In a *laissez faire* economy, in the absence of central planning, no conscious efforts are made to secure the maximum possible rate of growth with the available resources. A planned economy, on the other hand, seeks to assess all the resources available and get the best out of them. A Plan also takes a long-term view of the economy and endeavours to raise the level of investment in key sectors beyond the levels considered necessary by the immediate needs of the present. To illustrate my point, we did not originally think of taking up the second stage of the Mettur

Tunnel Hydro-Electric Scheme costing about Rs 700 lakhs or the Kodayar Hydro-Electric Scheme costing Rs 775 lakhs. If there had been no planned or conscious attempt to match the generation of power with the growing requirements of industry, these schemes could have been postponed and consequently, there might have been no need to find the additional resources for them. But a national plan, with predetermined objectives, seeks to drive the economy to the maximum level of effort it is capable of, and thus necessarily causes a measure of strain. These strains are reflected in various forms—shortage of foreign exchange, shortage of essential building materials and rising prices. Such difficulties are natural when we aim at a high rate of growth. The Plan lays emphasis on basic producer industries involving long gestation period for building up the growth-potential of the economy. Large outlays on steel plants or heavy electrical industries do not yield results in the short run, but are vital for long-term growth. During the construction period, this large capital outlay flows out as money incomes into different hands and competes for the limited supply of consumer goods and pushes up prices.

Pressure on Prices and Remedial Measures.

5. I am aware that this rise in prices, particularly of rice in the City, has caused hardship to large sections of our people. There is reason to hope that a part of this rise in the price of rice in the City in recent weeks is due to interruptions in the normal flow of Nellore rice for which people of the middle class in the City have cultivated a special taste. The rise in price would ease when the normal flow is resumed. We have always kept in view the fact that a growing population and a Plan with its large investment programmes will necessarily lead to some

rise in the levels of prices and that corrective action may be called for from time to time to minimise hardship to the vulnerable sections of the people. We had initiated last year a big programme for a net-work of consumers' co-operative stores for the general public as well as the organised labour in factories and plantations. This programme is being continued with renewed emphasis in the current year and will be extended to larger towns. The Supplementary Estimates accepted by this House in January embodied a substantial provision of Rs 81 lakhs for the promotion of these consumers' co-operative stores. To mitigate the hardships of urban dwellers in the short run, we have also set up 300 fair price shops which are supplied with stocks drawn from central reserves. We have just initiated a programme for procurement of 1 lakh tons of rice from millers and dealers and about 10,000 tons have already been secured. The only effective long-term remedy for this persistent pressure on prices is increased production. That is why we have assigned the highest priority to agricultural production in the plan.

6. We should recognise, at the same time, that in our country, with the majority of population dependent on agriculture, and desirous of a measure of improvement in their current low level of living, the regulation of prices of foodgrains is a complex problem. The interests of producers in securing a reasonable return for all their efforts and investments and the interests of the urban dwellers have to be reconciled in a manner fair to both. In this context there is a widespread feeling that the trade in food-grains should be so regulated as to protect the interests, both of the producer and of the consumer. The **Foodgrains policy.**

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reference to this subject in the recent session of Bhubaneswar Congress is ample recognition of the fact that the Governments at the Centre and the State are alive to this problem and the need for finding an early solution thereof. We should evolve a policy which would assure reasonably stable and adequate prices for the agriculturist for his produce with due regard to the additional outlays such as on larger use of fertilisers, essential for raising the level of production, and also the increase in cost of cultivation. At the same time, we should ensure that the traders at wholesale and retail levels are allowed only the minimum margins with due regard to the services rendered by them. We have set up a Price Vigilance Cell in the Board of Revenue for keeping trends in prices under close and continuous study and the data collected by this organisation should be of help in the determination of such margins. The setting up of a larger number of rice mills and other processing plants in the co-operative sector should also yield valuable data and help in regulating the market. I would however like to emphasise again that the regulation of trade in foodgrains should not in any manner impair the incentives for increased production by farmers. It should suffice if by regulating the profit margins of traders we ensure that prices of foodgrains do not rise above a particular level. There is no need for Government to take over trading in foodgrains. Such a course of action may cause hardship to the farmers. Under the arrangements outlined by me the consumers will be enabled to get foodgrains within a range of prices fixed by the Government. At the same time the interests of producers will not be prejudicially affected. Such fixation of prices will have to be enforced by adequate sanctions against those who fail to conform to the

minimum and maximum prices. Such a policy while leaving the private traders and millers in the field, will nevertheless ensure that their activities are not merely guided by the motive of making large profits, but also conform to public policy. This Government owes its allegiance to the Congress ideology which has been summed up as one of democratic socialism at the recent Bhubaneswar Congress. In such an economy there will still be a place for the private sector but it will have to function within the framework of the Plan accepted by the community and in a manner which will promote the interests of the society. The evolution of food policy on these lines for the country as a whole is primarily the responsibility of the Government of India. I have however chosen to share with the House some of my thoughts on this policy in view of their importance for the well being of the people of the State.

Social security for Government employees.

7. The rise in prices causes hardship to the fixed income groups in the society, particularly the employees of the State Government, in whose welfare the Government have a special interest. In line with the current thinking of the Government of India, the State Government have also felt that the interests of the fixed income groups are best served by a programme of social security which, to begin with, may cover the employees in the public sector. The Liberalised Pension Scheme which this Government adopted in 1960 represented the first social security measure for the benefit of the employees of the State Government. As this House is aware, this scheme, apart from assuring a pension and gratuity for the Government servants at the time of retirement, also made a provision for the families of Government servants dying in harness after certain minimum years of service or immediately

after retirement. The Government have now decided on further liberalisation of these provisions. Under the existing orders, an employee is normally expected to complete a service of not less than 20 years for his family to become eligible for the benefit of a family pension. The duration of the pension is also limited to a maximum period of 10 years or 5 years after the date of superannuation of the Government servant, whichever is earlier. The minimum service for eligibility for family pension in respect of Government servants dying while in service will now be reduced to 5 years. The family pension will be calculated at varying rates depending upon the emoluments of the employee but a minimum of Rs 20 per mensem will however be assured. The family pension will be admissible in the case of a widow of the Government servant up to the date of her death or remarriage and, in case of minor son until he attains the age of 18 years and in the case of unmarried daughter up to 21 years of age or marriage, whichever is earlier. The pensions awarded under this scheme will not be payable to more than one member of the employee's family at the same time. Following the similar scheme of the Government of India, the employees will be required to surrender out of their Death-*cum*-Retirement Gratuity the equivalent of two months' pay as their contribution to the scheme. The liberalisation of family pension scheme on these lines will provide a measure of security to the families of Government servants and I am sure that the House will welcome this concession.

Assurance of minimum pension.

8. The Government have also decided to enlarge the retirement benefits of Government servants in another respect. As the House is aware, under the Old Age Pension Scheme, the monthly pension

has been fixed at Rs 20. There are still a large number of retired Government employees who get inclusive of the temporary increase granted to them a monthly pension of less than Rs 20. The Government have therefore decided that the minimum service pension of all retiring State Government servants should be fixed at Rs 20 per mensem inclusive of the temporary increase already granted. In deciding on the eligibility for the benefit of minimum pension, however, the commuted portion of the pension, if any, will also be added to the pension already being drawn.

9. Similar social security schemes may eventually have to cover the other sections of the society as well. We have already made a beginning in this direction in this State with the Old Age Pension Scheme, under which all destitutes above the age of 65 now get a monthly pension of Rs 20. The age-limit is reduced to 60 in respect of physically handicapped destitutes. Keeping in view the need for administering a social security measure like this in a humane and generous manner, we deliberately waived the need for strict verification of age of applicants with reference to medical certificates or otherwise. We were fully aware of the difficulties of people in rural areas, mostly illiterate, in drawing their pensions from distant treasuries and therefore arrangements have been made to remit the amounts every month by money order at the cost of the Government. Over 62,000 persons have already secured the benefit of Old Age Pension and the Budget provision in this regard in the next year is of the order of Rs 166 lakhs. The Government of Old Age Pension.

India have recently been evincing some interest in this scheme and we shall, in consultation with them and with their help, explore the possibilities of expanding the coverage and utility of the scheme.

Democratic Socialism: Equality of Opportunity.

10. We are wedded to the establishment of a socialist order of society within a democratic framework and this policy has since been reaffirmed at the recent session of the Congress at Bhubaneswar. This Government will endeavour to keep this objective of socialism " based on democracy, dignity of the human individual and social justice " in view in framing its policies. A socialist order of society postulates equal opportunities for all. This Government have always been of the view that economically and socially submerged sections of the population can raise themselves and get access to a better way of living only through education. During the past decade we have accorded the highest priority to the expansion of education at all levels—elementary, secondary and collegiate. We have through special schemes of scholarships and fee concessions, endeavoured to provide opportunities to Harijans and other backward classes to raise themselves socially. While Harijans and other backward classes were in continuing need of special facilities, the poorer elements in other communities were also in need of help. It is as part of a programme to remove the handicaps of poorer sections of the society in sending their children to schools, that we initiated the Scheme of Midday Meals. From small beginnings the scheme has been expanded gradually so as to cover now over 14 lakhs of children at a cost of about Rs 168 lakhs per annum to the Government.

11. In 1955–56 we made education up to III Form free for all. In 1960 we extended free education up to Secondary level to all children whose parents' income was below Rs 1,200 per annum. In my very first Budget for 1962–63, this income limit for eligibility for free education up to secondary level was further raised to Rs 1,500 per annum. Besides, children of all non-Gazetted Government servants and employees of local bodies had also been exempted from payment of fee up to the secondary level. A recent estimate has shown that 83 per cent of boys and girls in secondary schools already enjoy the benefit of fee concessions. Among the other children who have not yet secured this benefit the majority belong to families with fixed incomes like employees of the Central Government, industrial workers in the higher grades and employees in the organised private sector. As a measure of relief to this class and in pursuance of a policy of ensuring that no one is denied the opportunities for higher education, on account of domestic circumstances or other causes, the Government have now decided to make education up to secondary level free for all, irrespective of income. No doubt this decision will have far-reaching financial implications and on a rough assessment we have provided for an additional expenditure of Rs 50 lakhs under Secondary Education in the Budget for 1964–65. Free Secondary Education for All.

12. Waiver of school fee may not by itself ensure access to higher education for the poorer sections of society, particularly in rural areas, unless the concessions are also accompanied by a fairly wide-spread dispersal of facilities for higher education. Therefore, we have embarked on a programme of opening of new secondary schools in large numbers. Over 600 high schools have been opened in the last three years, most

of them in rural areas, so that the poorer sections who had hitherto remained outside the pale of higher education could now send their children to schools. It is only by higher education that poorer sections of society can acquire new skills and move up in the social ladder.

Collegiate Education.

13. Government have also recognised the need for facilities for collegiate education in areas which have been comparatively backward in this respect. We have made provision in the current Budget for the opening of five more colleges, one each in North Madras and the districts of Chingleput, South Arcot, North Arcot and Salem. This policy of wide-spread diffusion of opportunities for higher education has to be pursued further. It is in pursuance of this policy that the Government have now decided in principle on the establishment of another University at Madurai. Nothing can be more appropriate than that the first new University which we are seeking to establish after independence should be located in this ancient City of hoary traditions, the centre of Tamil culture from the Sangham age. An expert committee has been appointed to assess the requirements of buildings and to report on other matters connected with the establishment of the University. Meanwhile, the Government have initiated action for acquisition of a large block of land.

Accounts, 1962-63.

14. I now turn to an analysis of the basic figures which are of relevance in considering the present Budget proposals. The Revised Estimates for 1962-63 revealed a revenue deficit of Rs 292 lakhs. The actuals now available reveal a further worsening of Rs 92 lakhs and the year ended with a revenue deficit of Rs 384 lakhs. Revenue Receipts had registered an increase of Rs 87 lakhs, but this was

more than offset by a rise of Rs 179 lakhs in expenditure on revenue account. The increases occurred mostly under heads relating to developmental services. Significant increases in expenditure are under heads like Medical (Rs 64 lakhs), Industries (Rs 67 lakhs), Community Development Projects (Rs 50 lakhs), Irrigation (Rs 35 lakhs) and Pension and other retirement benefits (Rs 26 lakhs). Part of the increase under the last item is accounted for by Old Age Pension. The range of variations between revised estimates and actuals works out to only 0·8 per cent in respect of revenue receipts and 1·5 per cent in respect of expenditure.

15. The actuals of capital expenditure at Rs 18·94 crores was only marginally higher than the revised estimate of Rs 18·82 crores.

16. Under deposit heads, in respect of which it is difficult to forecast trends with the same degree of accuracy as in regard to capital and revenue heads, there was an appreciable worsening to the extent of Rs 393 lakhs. This in turn was largely due to the State Electricity Board's transactions for the year resulting in a net debit of Rs 517 lakhs reflecting larger payments than anticipated on programmes of power development. Part of the increased outgo under this head was offset by improvements under 'Civil Deposits' and 'Suspense' heads. There was some improvement under 'Public Debt' due to the release, almost in full, before the close of the financial year, of the Central assistance due for the Plan and also the grant of an additional loan of Rs 1 crore to the State Government for the scheme of purchase and distribution of fertilisers. As a result of the variations explained above, the year 1962–63 closed with a cash balance of only Rs 25 lakhs.

Revised Estimate, 1963–64.

17. In my last Budget Speech, I had estimated that the expenditure in the current year on revenue account would be Rs 127·19 crores and the receipts Rs 124·45 crores, resulting in a revenue deficit of Rs 2·74 crores. The revised estimates framed on the basis of current trends in receipts and expenditure place the revenue receipts at Rs 130·98 crores and expenditure at Rs 134·00 crores revealing a slightly higher revenue deficit of Rs 3·02 crores. A significant portion of the improvement on revenue side is due to larger receipts anticipated under share of Central Taxes. We will be realising Rs 972 lakhs as our share of Income-Tax in the current year against the Budget Estimate of Rs 800 lakhs, including an arrear of Rs 102 lakhs. There has also been an improvement of Rs 60 lakhs under share of Union Excise Duties and Additional Excise Duties. The grants-in-aid from Government of India for Plan and non-Plan schemes are also Rs 87 lakhs higher than the figure originally estimated. State Taxes too have maintained their normal growth and we now expect about Rs 2 crores more from them than anticipated in the Budget Estimates. Of this, an increase of Rs 170 lakhs occurs under Central Sales Tax reflecting the enhancement in the general rate of the tax from 1 per cent to 2 per cent in the last budget of the Central Government. There is an improvement of nearly a crore of rupees also under Entertainment Tax due to the levy of surcharge by local bodies under the powers vested in them under the Local Authorities Finance Act, 1960. The State Government will not, however, benefit from the increase under this head as bulk of the receipts from Entertainment Tax is statutorily made over to the local bodies. Increases of a marginal nature are also anticipated under a few of the other State Taxes

which will however be offset by a substantial shortfall of Rs 61 lakhs under 'Stamp Duties' reflecting presumably the decline in transactions in immovable property in rural areas. The practice of under-valuation of properties with a view to evade payment of Stamp Duty legitimately due is still widely prevalent and we will have to devise steps for curbing this anti-social practice.

18. Turning now to expenditure on Revenue Account, as usual a large portion of the increase is on developmental services. Notable increases occur under Medical (Rs 80 lakhs), Community Development (Rs 82 lakhs), Welfare of Scheduled Castes and Tribes (Rs 32 lakhs) and Irrigation (Rs 53 lakhs). Of the increase of Rs 346 lakhs under non-developmental expenditure a sum of Rs 84 lakhs represents the increased share of Entertainment Tax payable to local bodies corresponding to the improvement in receipts referred to earlier. We have also had to make a larger provision—to the extent of Rs 109 lakhs—for payment of interest on Public Debt. There is an increase also of Rs 39 lakhs under Pensions and other retirement benefits reflecting largely the impact of the Old Age Pension Scheme. Though classified in our accounts as non-developmental expenditure, the outlay under the head should really be reckoned as developmental in nature as it relates to a social security measure of considerable importance. The increases under other heads are of a marginal character and are in keeping with the general policy of the Government of keeping non-developmental expenditure well under control.

19. The Revised Estimates for the current year place the capital outlay at Rs 22·94 crores representing an increase on the original provision of a little over

Rs 4 crores. Special mention should be made of an increase of Rs 115 lakhs for Irrigation Schemes, the additional provision for Parambikulam-Aliyar Project alone being Rs 83 lakhs. We have also stepped up the provision for buildings of the Medical Department by Rs 11 lakhs and for the buildings of the Education and Technical Education Departments by Rs 55 lakhs.

20. The Revised Estimates also disclose an increased provision of over Rs 11 crores under loans and advances. The bulk of the increase, viz., Rs 8 crores, is on account of 'Loans to the Electricity Board'. This increased provision reflects in some measure the accelerated execution of power schemes included in the Plan. An additional provision of nearly Rs 1 crore has also been made for grant of loan to the Housing Board for implementation of various schemes, particularly those relating to bulk acquisition of lands in the neighbourhood of big cities. This increase is offset by receipt of a larger amount as loan from the Life Insurance Corporation for housing schemes.

21. The increases now visualised in the Revised Estimates under Revenue, Loan and Debt heads have already been covered to a large extent by the two Supplementary Estimates which this House has been pleased to vote. The increases not so covered will be embodied in the Final Supplementary Estimates to be presented to the House in this session.

22. On the basis of the Revised Estimates we now anticipate that the outlay on Plan schemes in the current year will be well over Rs 68 crores as against about only Rs 60 crores originally visualised. While this substantial increase, reflecting largely accelerated

execution of schemes in such vital sectors as Power, Irrigation, Technical Education and Industries, should be a matter for gratification, it has also cast considerable strain on our ways and means in the current year. But we hope that these difficulties could be got over with advance release of Central assistance for the Plan to which we are entitled on the basis of our performance. In view of the rising tempo of execution of schemes, we should be prepared to face such difficulties right through the Plan period.

23. The Budget for 1964–65 estimates the receipts (at current levels of taxation) at Rs 137·48 crores and the expenditure on Revenue Account at Rs 140·82 crores. A revenue deficit of Rs 3·34 crores is thus disclosed. The Budget Estimates provide for a reasonable measure of growth under Share of Central Taxes as well as under all important State Taxes of an elastic nature like General Sales Tax, Central Sales Tax and Electricity Duties. **Budget for 1964–65.**

24. A substantial provision of Rs 5½ crores has been made in the Budget for new schemes, mostly covered by the Plan. Among the new schemes, special mention may be made of Manimukthanadhi Reservoir Project in Kallakurichi taluk estimated to cost Rs 91 lakhs. We propose to take up also the Gatana Reservoir Scheme in Ambasamudram taluk at a cost of Rs 89 lakhs. Approval of the Legislature is now being sought in this Budget in the form of a token provision. **New schemes in the Budget.**

25. The House is also aware of the decision of the Government to shift the medical college at Kilpauk to Tirunelveli and to construct buildings for the medical college as well as the attached hospital,

A provision of Rs 5 lakhs has been made in this Budget for meeting the expenditure on the initial stages of this scheme estimated to cost eventually Rs 150 lakhs. We have also included a provision of about Rs 5 lakhs in the Budget for purchase of equipment for the 400-bedded block of the new hospital in the campus of the Thanjavur Medical College. A provision of Rs 285 lakhs has been made for the various urban water-supply schemes in the Plan. Sanction is being accorded for a new water-supply scheme for Villupuram Municipality at a cost of Rs 26 lakhs and an allocation of Rs 5 lakhs has been made in this Budget towards the expenditure anticipated in the next year. A provision of Rs 180 lakhs has been made in the Budget for payment of loans and grants to the Corporation for execution of its water-supply and drainage schemes. During the last few years we have also been extending substantial assistance to the Corporation in the form of loans and grants for the improvement of some of the main roads in the City, including bus routes. In the current Budget a sum of Rs 23 lakhs has been allotted for this purpose. Besides, in view of the growing volume of heavy motor traffic on the main lines of communication in the City, the Government have decided to take over the improvement and maintenance of the stretches lying within City limits of the three National Highways in the City—the Mount Road, the Poonamallee High Road and the Northern Trunk Road. A provision of Rs 44 lakhs has been made in the Budget on Capital and Revenue Accounts for the improvement and maintenance of these roads to be taken over by Government.

26. The House is aware that since 1955–56 we have undertaken a systematic programme of construction of quarters for Police personnel with a view to ensure

suitable accommodation for 80 per cent of the staff by the end of the Third Plan period. A sum of Rs 420 lakhs has already been spent since the inception of the scheme. This programme is being continued in the the next year also. Apart from a provision of Rs 30 lakhs for completion of spill-over schemes, a sum of Rs 10 lakhs has been allotted for sanction of new housing schemes for Police personnel in the coming year. A sum of Rs 25 lakhs has also been earmarked for housing to industrial labour. Apart from the construction of tenements in the Industrial Estate at Ambattur, we will take on hand construction of 50 tenements each, for industrial workers, at Singanallur, Tiruppur and Kodambakkam.

27. The welfare of Backward Classes continues to engage the special attention of Government. A provision of about Rs 1 crore has been made for the various Plan schemes for the welfare of Backward Classes. We have accorded high priority to the acquisition of house-sites for the Harijans. In addition to a provision of Rs 10·50 lakhs in the Plan, an allotment of Rs 16 lakhs has also been made on the non-Plan side for this purpose. The Honourable Members are aware that Harijans in occupation of private lands are very often subjected to threats of eviction on frivolous grounds and they are in most cases unable to defend themselves in courts of law. The Government have therefore approved a scheme for provision of legal assistance to Harijans in deserving cases. It is obviously difficult to estimate the additional expenditure on account of this measure and the approval of the Legislature is sought in the form of a token provision. We have entrusted the execution of works of local utility like rural water-supply and link roads under the Local Development Works Programme

and Community Development Programme to the Panchayat Unions. These works are to be generally executed with an element of local contribution though in the case of water-supply works benefiting Harijans no contribution is necessary. It was represented to Government that there had been a measure of reluctance in taking up works specially benefiting the Harijans. The Government have therefore decided to make a contribution from State funds of 15 per cent for water-supply works and of 10 per cent for link roads and culverts outside the Village Works Grant given to the Panchayat Unions in order to provide a special inducement to Panchayat Unions to take up works benefiting the Harijans. We hope that in view of this provision about 20 per cent of the Village Works Grant will be utilised by the Panchayat Unions for the provision of essential amenities to the Harijans. Funds have been allotted to the extent of Rs 6½ lakhs for this purpose in the Budget now under consideration.

28. In the re-appraisal of our Plan programmes in the light of the National Emergency, we had deferred the programme of construction of Panchayat Union Office buildings and staff quarters. Having regard to the difficulties experienced in securing suitable accommodation for office as well as staff in some of the Panchayat Union headquarters, the Government have decided to revive the programme with a provision of Rs 10 lakhs for the next year. Under the Madras Panchayats Act, the maintenance of dispensaries is a statutory responsibility of the Panchayat Unions. The difficulties of some of the Panchayat Unions in making adequate provision for existing dispensaries have been brought to the notice of Government. Government have therefore decided

to assist such Panchayat Unions with grants equivalent to 50 per cent of the cost of maintenance of existing dispensaries, subject to a ceiling. A provision of Rs 4 lakhs has been made for the payment of such grants.

29. Government have also felt for some time that better hostel facilities should be provided for the Honourable Members of this House. It is proposed to take on hand shortly the construction of a new Legislatures' Hostel at a cost of about Rs 45 lakhs and a provision of Rs 10 lakhs has been made in the Budget towards meeting the anticipated expenditure on the scheme in the next year. The other new schemes do not call for any special comments and I would invite the attention of the Honourable Members to the detailed list of 284 new schemes set out in Appendix I to the Budget Memorandum.

Plan for 1964–65.

30. A Plan of Rs 70·53 crores emerges from the Budget Estimates now before the House. The outlay in the last year of the Plan cannot, on present indications, be less than Rs 76 crores. As I indicated during the debate on Mid-Term Appraisal of the Plan, the outlay on the Third Plan, as a whole, may thus be of the order of Rs 325 crores. Our administrative machinery is now fully geared to the fulfilment of this Plan and it should be our endeavour to raise the necessary resources so that the Plan schemes which have gathered momentum could all be pushed through. We should endeavour to cover the gap in resources by intensifying Small Savings and stepping up collections under general revenues.

Proposals for additional resources.

31. The anticipated revenue deficit of Rs 334 lakhs for 1964–65 coming in the wake of a revenue deficit of more or less the same order in the current

year calls for some remedial action. Government have therefore decided to make some adjustments in the rate of Sales Tax on some commodities. These adjustments are related to the enhancement of the rate of Central Sales Tax effected last year and have become necessary to avoid potential loss of revenue under Central Sales Tax. The general rate of Central Tax was raised from 1 per cent to 2 per cent by Central Legislation last year. Section 8 (2) of the Central Sales Tax Act however stipulates that in the case of certain goods classified as declared goods, the tax on inter-State sales shall be calculated at the rate applicable to the sale or purchase of such goods inside the appropriate State. In respect of two declared goods which are of considerable importance in inter-State trade, the present rate under the General Sales Tax is only 1 per cent. The result is that even when these goods are bought by people outside this State on inter-State sale, the tax can only be 1 per cent and we are thus losing substantial revenues. These two commodities are cotton which is taxed at 1 per cent at the point of last purchase, and cotton yarn which is taxed at 1 per cent at the point of first sale in this State. By raising the levy on cotton and cotton yarn from 1 per cent to 2 per cent, we will not only get increased revenue under General Sales Tax but will also get additional revenue under Central Sales Tax, the incidence of which is on dealers in other States. The Government have therefore decided to increase the levy under Madras General Sales Tax Act on cotton from 1 per cent to 2 per cent at the point of last purchase in the State and on cotton yarn from 1 per cent to 2 per cent at the point of first sale in the State. In keeping with this, the levy on cotton waste, cotton yarn waste and artificial silk fibre yarn and staple fibre yarn (Items 16, 17 and

18 of the First Schedule of the Madras General Sales Tax Act) will also be raised from 1 per cent to 2 per cent. These changes will take effect from 1st April 1964. The additional revenue from these adjustments in rates is estimated at Rs 1 crore. The revenue deficit will thus be reduced to Rs 234 lakhs.

32. The Budget which I have presented has kept in view the need to ensure that the tempo of execution of the developmental programmes does not suffer a setback for want of resources. We could very well have assessed the resources readily available and pruned our programmes accordingly. We should not, however, follow this line of least resistance and sacrifice for present convenience, the long-term interests of the community. Our approach has been to determine the targets of growth necessary in different sectors and to set out to find the resources. The crucial test which this House should apply in assessing the Budget proposals is whether they assist the State in taking yet another step forward towards the realisation of the important objectives of the Plan. Judged on these standards, the Budget proposals would seem to be best calculated to promote the present and long-term interests of the State and I therefore commend them for the acceptance of this House. Conclusion.

MADRAS,
29th February 1964.

M. BHAKTAVATSALAM,
Chief Minister.

GOVERNMENT OF MADRAS

सत्यमेव जयते

APPENDICES

TO THE

BUDGET SPEECH

1964-65

UNDER SECRETARY TO GOVERNMENT
4 - MAR 1964
FINANCE DEPARTMENT

29th February 1964

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Note.—The details of Expenditure on Plan Schemes of the Madras State under the Third Five-Year Plan are published separately in the Supplement on the Third Five-Year Plan.

APPENDIX I.

The figures from 1956–7 take into account the Reorganization of States from the 1st November 1956.

Revenue and Expenditure on Revenue Account of the Madras State.

Major heads.	1938–9.	1955–6.	1956–7.	1957–8.	1958–9.	1959–60.	1960–1.	Accounts, 1961–2.	Accounts, 1962–63.	1963–64. Budget Estimate.	1963–64. Revised Estimate.	Budget Estimate, 1964–65.
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
	RS LAKHS.	RS LAKHS.	RS LAKHS.	RS LAKHS.	RS LAKHS.	RS LAKHS.	RS LAKHS.	RS LAKHS.	RS LAKHS.	RS LAKHS.	RS LAKHS.	RS LAKHS.
A. REVENUE.												
Union Excise Duties.	..	1,82·56	1,75·14	3,14·43	5,88·53	6,02·51	6,09·04	†	†	†	†	†
Taxes on income other than Corporation tax—												
Share of Income-tax.	22·50	5,59·54	5,23·85	6,16·07	6,36·72	6,66·29	7,34·11	7,87·20	7,74·49	8,00·00	9,72·00	8,80·00
Agricultural Income-tax.	..	1,41·94	1,12·51	1,29·67	86·55	1,53·49	1,34·48	1,41·51	1,16·21	1,36·00	1,16·00	1,16·00
Estate Duty	..	17·57	22·35	28·41	25·18	30·26	29·32	40·49	37·33	40·00	37·00	37·00
Taxes on Railway fares.	..	..	..	31·07	70·37	84·43	89·77	‡	‡	‡	‡	‡
Land Revenue—												
Gross receipts including portion due to irrigation.	7,00·78	5,97·34	6,19·86	6,91·52	6,67·34	7,04·62	7,40·21	6,83·32	7,13·38	8,29·94	7,88·21	8,40·51
Excise	3,72·23	23·62	30·29	27·97	22·63	22·94	24·68	33·09	38·30	29·90	35·09	35·09
Taxes on Vehicles ..	81·22	4,00·87	4,37·73	4,54·29	4,99·58	5,49·51	6,05·10	7,02·72	10,19·06	11,50·24	11,60·00	12,00·00
Sales tax	..	..	..	..	14,76·11	16,74·53	19,11·53	21,25·61	24,80·09	25,76·41	27,75·00	30,05·00
Other taxes and duties—												
General sales tax ..	..	9,82·07	11,16·77	11,78·05	*	*	*	*	*	*	*	*
Other items ..	3·19	2,66·40	2,75·61	3,84·67	2,07·50	2,22·20	2,45·64	2,78·93	4,58·40	5,62·83	6,76·36	7,10·14
Total ..	3·19	12,48·47	13,92·38	15,62·72	2,07·50	2,22·20	2,45·64	2,78·93	4,58·40	5,62·83	6,76·36	7,10·14
Stamps	1,73·37	3,59·56	3,62·76	3,50·00	3,91·81	4,77·80	4,52·97	5,21·74	5,48·21	6,90·67	6,29·58	6,44·41
Registration	32·70	69·66	78·85	79·42	86·26	1,04·51	1,06·90	1,13·14	1,24·16	1,46·02	1,40·30	1,40·22
Interest	19·73	52·76	59·68	3,78·97	4,94·96	6,07·48	7,08·82	8,29·59	11,64·84	12,59·71	11,50·84	13,78·75
Administration of Justice.	15·39	57·60	62·05	67·63	56·07	52·39	60·36	72·07	85·32	77·07	85·46	85·46
Jails	5·98	22·02	26·20	26·32	24·08	30·99	35·59	30·92	42·87	31·86	40·09	41·77
Police	5·66	21·41	21·81	19·14	22·58	23·82	29·51	39·37	37·06	38·15	40·55	39·37

† A sum of Rs 6,55·49 lakhs in the Accounts for 1961–62, Rs 8,78·76 lakhs in the Accounts for 1962–63, Rs 9,00 lakhs in Budget Estimate, 1963–64, Rs 9,60 lakhs for Revised Estimate, 1963–64 and Rs 10,00 lakhs for the Budget Estimate, 1964–65 have been shown under "States Share of Union Excise Duties".

‡ Shown under "LVI—Grants-in-aid from the Central Government".

* Shown under "Sales Tax."

Revenue and Expenditure on Revenue Account of the Madras State—*cont.*

Major heads.	1938–9.	1955–6.	1956–7.	1957–8.	1958–9.	1959–60.	1960–61.*	Accounts, 1961–2.	Accounts, 1962–3.	1963–64. Budget Estimate.	1963–64. Revised Estimate.	Budget Estimate, 1964–65.
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
	RS LAKHS.	RS LAKHS.	RS LAKHS.	RS LAKHS.	RS LAKHS.	RS LAKHS.	RS LAKHS.	RS LAKHS.	RS LAKHS.	RS LAKHS.	RS LAKHS.	RS LAKHS.
A. REVENUE—*cont.*												
Miscellaneous departments.	7·62	42·50	99·48	90·00	1,19·07	1,56·57	***	59·50	36·07	35·59	37·09	36·97
Ports and Pilotage ..	44·67	..	..	..	..	..	..	..	..	..	..	..
Education ..	8·35	73·40	93·71	1,34·64	1,79·59	2,02·65	2,68·82	48·50	48·27	44·52	1,52·75	83·79
Medical ..	10·25	27·35	31·14	61·04	73·90	83·84	85·60	79·77	78·58	75·17	85·45	84·94
Public Health ..	2·59	22·13	7·17	19·40	68·05	1,18·50	1,85·78	16·66	12·26	12·37	13·90	15·72
Agriculture ..	3·12	80·37	1,04·21	1,01·71	1,62·16	2,33·09	2,48·54	1,91·75	2,26·68	2,52·29	2,30·20	2,45·40
Animal Husbandry ..	1·02	7·93	13·08	19·23	18·27	23·18	15·18	11·49	21·51	13·74	17·10	15·96
Co-operation ..	4·18	64·53	1,27·82	1,06·47	72·43	1,25·62	2,03·55	37·62	36·29	33·73	37·67	38·33
Industries ..	18·35	1,17·52	1,23·41	2,47·24	2,17·03	2,79·19	2,84·83	1,84·51	2,95·84	3,15·17	3,14·56	3,24·95
Community Development Projects, National Extension Service and Local Development Works. ‖	*	*	*	*	*	*	*	29·28	2·12	†††	·27	·27
Miscellaneous, Social Service and Developmental Organizations ..	..	..	..	..	..	..	1,98·60	(a)	27·46	23·12	27·77	23·46
Irrigation—												
Direct receipts ‡ ..	6·21	7·22	9·14	9·57	10·62	11·08	10·61	11·52	11·70	11·09	11·49	11·49
Deduct—Working expenses.	— 38·39	— 45·46	— 57·72	— 59·46	— 64·57	— 78·64	— 91·56	— 1,23·70	§	§	§	§
Net receipts ..	— 32·08	— 38·24	— 48·58	— 49·89	— 53·95	— 67·56	— 80·95	— 1,12·18	11·70	11·09	11·49	11·49
Direct receipts ‡ ..	1·99	2·42	2·08	1·89	2·26	2·35	2·24	2·52	2·93	2·21	2·53	2·42
Public Works ..	25·12	1,14·67	1,28·73	99·11	1,10·45	1,40·81	1,42·25	1,13·86	1,20·68	94·09	1,24·93	1,38·96
Receipts from Electricity Schemes (Gross).	42·51	7,03·08	8,13·43	2,54·27	..	..	..	..	..	..	..	..
Deduct—Working expenses.	— 24·81	— 4,52·08	— 5,26·02	— 2,20·07	..	..	..	..	..	..	..	..
Net receipts ..	17·70	2,51·00	2,87·41	34·20	..	..	..	..	..	..	..	..
Road and Water Transport Schemes—Gross Receipts (b).	..	1,53·35	1,81·21	2,13·34	2,27·55	2,51·46	3,15·14	3,69·27	4,34·80	4,63·45	5,24·14	6,09·32
Working expenses ..	..	— 1,28·13	— 1,49·91	— 1,85·52	— 1,99·48	— 2,19·58	— 2,95·03	— 3,46·89	§	§	§	§
Net receipts ..	..	25·22	31·30	27·82	28·07	31·88	20·11	22·38	4,34·80	4,63·45	5,24·14	6,09·32

Contributions and Recoveries towards Pensions and other retirement benefits.	2·88	11·32	16·06	9·09	9·26	4·33	15·30	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Stationery and Printing.	3·96	12·79	9·76	11·76	19·07	18·70	22·01	39·60	42·06	25·76	43·39	43·45
Forest ‖	45·63	1,77·08	1,75·17	1,29·19	1,30·63	1,69·24	1,99·35	2,52·28	2,22·86	2,42·66	2,37·34	2,29·90
Miscellaneous—												
Gross Receipts from Bus Service (c).	..	..	..	..	..	..	..	..	..	..		
Other items ..	14·58	87·10	74·90	2,39·03	2,56·63	3,69·39	§§5,93·03	99·80	1,35·04	89·17	96·61	95·21
Total ..	14·58	87·10	74·90	2,39·03	2,56·63	3,69·39	5,93·03	99·80	1,35·04	89·17	96·61	95·21
State's Share of Union Excise Duties.	**	**	**	**	**	**	**	6,55·49	8,78·76	9,00·00	9,60·00	10,00·00
Grants-in-aid from the Central Government.	..	72·19	1,28·09	5·55	5·25	4·31	8·36	10,66·80	14,85·85	14,13·77	15,00·58	15,62·48
Miscellaneous adjustments between Central State and Union Territory Governments.	·27	·40	·34	·43	1·56	·35	1·40	1·05	1·03	1·12	1·40	1·40
Dividends, etc., from Commercial and other undertakings.	..	..	..	..	..	..	..	(d)	4·77	7·61	10·76	7·61
Extraordinary Receipts.	..	47·15	15·54	25·19	29·69	5·34	1·59	1·07	1·07	·88	·76	·71
Transfer from Revenue Reserve Fund.	..	..	..	..	..	..	..	..	..	..	..	..
Receipts from Community Development Projects, National Extension Service and Local Development Works.	..	2,50·73	2,76·93	1,65·57	1,89·38	2,01·10	2,69·65	††	††	††	††	††
Civil Defence ..	..	..	..	..	..	..	..	..	..	..	..	..
Lumpsum Credit for additional taxation.	..	..	..	..	..	..	..	..	..	..	..	1,00·00
Grand total ..	16,13·45	52,09·48	56,23·21	62,56·36	69,95·07	81,10·65	92,03·27	92,17·84	1,17,96·75	1,24,45·09	1,30,98·11	1,38,47·57

*** Included under " Miscellaneous, Social Services and Developmental Organizations "—(Rs 38·65 lakhs in Accounts 1960–61).
‖ The subvention from Central Government for the development schemes relating to these departments have been shown under " Grants-in-aid from the Central Government ".
* Shown under " LI-A.—Receipts from Community Development Projects, National Extension Service and Local Development Works".
††† Shown as receipts of the Panchayat Union in the Deposit Section.
(a) Included under " XXI. Miscellaneous Departments ".
‡ Excludes land revenue.
§ Shown under expenditure side with effect from 1st April 1962.
(b) Prior to 1949–50 the receipts were included under the Revenue head " Miscellaneous " and working expenses were shown under the expenditure head " Miscellaneous ".
(c) Receipts are shown under " Receipts from Road and Water Transport Schemes from 1949–50 ".
§§ Includes Rs 2,03·83 lakhs towards grant from the Central Government to cover the reduction in the share of income tax consequent on the change in company taxation.
** Shown under " Union Excise Duties ".
(d) Included under " XXIX.—Industries ".
†† Shown under " XXXI.—Community Development Projects, National Extension Service and Local Development Works ".

REVENUE AND EXPENDITURE ON REVENUE ACCOUNT OF THE MADRAS STATE—*cont.*

Major heads. (1)	1938–9. (2)	1955–6. (3)	1956–7. (4)	1957–8. (5)	1958–9. (6)	1959–60. (7)	1960–1. (8)	Accounts, 1961–2. (9)	Accounts, 1962–3. (10)	1963–64. Budget Estimate. (11)	1963–64. Revised Estimate. (12)	Budget Estimate. 1964–5. (13)
	RS LAKHS.	RS LAKHS.	RS LAKHS.	RS LAKHS.	RS LAKHS.	RS LAKHS.	RS LAKHS.	RS LAKHS.	RS LAKHS.	RS LAKHS.	RS LAKHS.	RS LAKHS.
B. EXPENDITURE ON REVENUE ACCOUNT.												
Taxes on Income other than Corporation tax.	..	1·93	2·79	2·57	4·85	11·21	11·21	11·60	12·07	12·13	12·95	12·54
Land Revenue ..	25·36	80·09	88·58	1,12·08	1,72·83	1,68·78	1,75·05	1.06·70	64·31	76·06	61·86	61·07
Excise duties ..	32·18	6·18	6·76	7·04	6·24	5·53	5·41	‡	‡	‡	‡	‡
Charges on account of Motor Vehicles Acts—												
Payment to local bodies.	72·77	66·06	63·74	60·46	60·31	60·21	54·26	†	†	†	†	†
Other departmental expenditure.	2·29	11·04	11·61	11·34	13·09	13·24	12·90	15·15	14·15	13·36	16·98	15·85
Sales tax	..	..	..	..	50·24	51·04	56·36	65·39	71·08	69·31	78·86	71·55
Other taxes and duties—												
Payment to local bodies.	..	77·51	91·10	1,01·02	1,36·53	1,50·08	1,66·72	†	†	†	†	†
Other departmental expenditure.	·64	46·27	47·92	48·53	2·36	2·13	2·03	2·23	4·03	5·82	5·94	6·68
Stamps	4·72	15·33	18·03	20·31	20·84	24·17	27·12	27·99	24·33	34·20	32·19	32·19
Registration	29·13	38·76	37·45	36·78	37·74	40·20	43·73	45·88	48·34	52·84	51·65	53·16
Interest (on debt and other obligations).	58·54	2,61·80	3,70·85	4,38·55	4,54·97	5,18·23	6,96·03	7,81·81	9,03·76	10,21·16	11,30·07	12,90·15
Deduct—Interest transferred to Commercial Departments.	— 1,07·54	— 4,05·57	— 4,95·33	— 2,83·78	— 2,20·94	— 2,41·04	— 2,68·32	— 2,95·26	††	††	††	††
Net amount met out of ordinary revenues.	— 49·00	— 1,43·77	— 1,24·48	1,54·77	2,34·03	2,77·19	4,27·71	4,86·55	9,03·76	10,21·16	11,30·07	12,90·15

Appropriation for reduction or avoidance of debt.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
State Legislature and Elections.	¶	¶	¶	¶	¶	¶	¶	7,20·59	26·10	20·73	23·50	22·68
General Administration.	2,76·70	4,47·39	4,53·07	4,96·08	5,11·94	5,44·06	5,94·15		6,75·72	6,77·48	7,07·93	7,21·82
Administration of Justice.	90·63	1,27·23	1,25·72	1,24·11	1,35·58	1,38·02	1,47·92	1,57·93	1,62·85	1,59·04	1,66·23	1,64·74
Jails	23·22	84·83	91·14	95·85	1,04·61	1,22·80	1,41·03	1,37·70	1,52·71	1,40·87	1,49·40	1,50·41
Police	1,60·96	5,19·89	5,17·65	5,32·98	5,46·94	5,79·50	6,07·21	6,60·36	6,83·11	7,26·09	7,48·62	7,26·89
Miscellaneous departments.*	21·11	1,89·89	2,48·05	3,00·18	3,29·93	4,02·58	5,01·06	4,59·19	58·11	67·55	71·08	70·87
Ports and Pilotage ..	..	..	..	..	..	..	..	..	..	..	..	..
Scientific Departments.	·96	2·59	2·75	3·30	3·27	3·53	4·50	4·83	5·32	6·20	6·80	7·16
Education	2,61·98	10,93·30	10,26·98	11,15·63	12,21·99	15,14·70	18,38·74	23,46·48	25,76·01	28,71·46	28,03·13	30,73·75
Medical	98·14	3,24·03	3,57·55	3,89·23	4,41·59	4,91·54	5,48·71	6,49·67	7,47·45	7,06·57	7,87·30	7,91·82
Public Health ..	26·57	1,13·97	53·98	71·02	85·05	1,91·59	2,82·43	2,17·86	2,10·84	2,69·23	2,48·42	2,80·43
Agriculture	20·62	1,57·88	1,90·51	1,86·65	2,31·22	2,96·58	3,44·67	4,16·74	5,41·45	5,72·88	5,86·88	6,45·57
Animal Husbandry ..	12·85	41·02	51·92	65·19	73·70	97·05	1,23·01	1,48·73	1,69·32	1,75·86	1,89·58	1,94·12
Co-operation	13·82	1,08·19	1,52·96	1,50·79	1,68·38	2,05·05	2,08·76	2,27·20	2,41·27	2,53·61	2,45·40	2,42·08
Industries	27·54	1,77·09	1,09·69	2,34·70	3,17·94	4,36·11	3,57·20	3,73·61	5,51·37	5,65·75	5,22·80	5,76·44
Community Development Projects, National Extension Service and Local Development Works.	‖	‖	‖	‖	‖	‖	‖	5,43·30	6,40·10	5,75·43	6,56·59	6,44·36
Labour and Employment.	§	§	§	§	§	7·78	§	35·07	36·42	35·24	1,35·38	1,28·31
Miscellaneous, Social and Developmental Organizations.	..	..	..	..	..	..	..	***	4,41·91	** 4,22·36	**4,54·27	** 4,81·31
Irrigation—Interest on works for which capital accounts are kept.	87·59	1,63·36	1,77·66	1,83·90	1,99·07	2,15·99	2,36·45	2,59·97	3,95·72	4,07·05	4,45·22	4,51·75
Irrigation—Other Revenue expenditure financed from ordinary revenues.	39·09	1,18·38	2,72·00	1,58·31	1,01·03	1,09·02	1,25·08	1,73·02	1,73·44	1,20·33	1,34·27	1,23·43
Construction of irrigation, etc., works.	1·25	..	..	..	..	..	..	..	..	..	..	..
Capital Outlay on Industrial Development.	..	..	..	..	..	..	..	..	..	..	..	..
Aviation	..	·26	·35	..	..	..	..	..	..	..	..	..

‡ Included under " Sales Tax ".
† Included under " Other Miscellaneous Contributions and Assignments ".
†† Taken as receipts under XVI. Interest with effect from 1st April 1962.
¶ Included under " General Administration ".
* Includes expenditure on Welfare of Scheduled Tribes, Castes, etc., including concessions to Backward Classes as shown below :—

..	98·14	1,17·77	1,58·15	2,13·41	2,35·94	3,06·26	3,63·83

‖ Shown under " 63-B. Community Development Projects, National Extension Service and Local Development Works ".
§ Shown under " 47. Miscellaneous Departments ".
*** Included under " 26. Miscellaneous Department ".
** Includes expenditure on Welfare of Scheduled Tribes, Castes, etc., including concessions to Backward Classes as shown below :—

4,12·61	3,89·52	4,22·89	4,42·13

REVENUE AND EXPENDITURE ON REVENUE ACCOUNT OF THE MADRAS STATE—*cont.*

Major heads.	1938–9.	1955–6.	1956–7.	1957–8.	1958–9.	1959–60.	1960–1.	Accounts, 1961–2.	Account, 1962–3.	1963–64. Budget Estimate.	1963–64. Revised Estimate.	Budget Estimate, 1964–5.
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
	RS LAKHS.	RS LAKHS.	RS LAKHS.	RS LAKHS.	RS LAKHS.	RS LAKHS.	RS LAKHS.	RS LAKHS.	RS LAKHS.	RS LAKHS.	RS LAKHS.	RS LAKHS.
B. EXPENDITURE ON REVENUE ACCOUNT—*cont.*												
Public Works ..	1,19·70	5,02·64	4,54·24	4,22·64	5,68·13	6,88·15	6,93·25	8,88·86	9,23·03	9,07·23	9,24·30	8,95·98
Road and Water Transport Schemes.	..	*	*	*	*	*	*	*	4,29·56	4,60·60	5,33·57	6,28·10
Interest on Capital Outlay on Electricity Schemes.	18·92	2,25·99	2,89·28	83·86	..	..	..	..	..	..	..	..
Other revenue expenditure connected with Electricity Schemes.	..	—·74	—1·40	—·30	..	..	..	..	..	..	..	..
Famine Relief ..	16·04	96·10	29·88	36·61	57·11	70·69	73·73	35·19	19·53	57·20	55·55	55·09
Pensions and Other retirement benefits.	97·12	1,40·97	1,33·61	1,24·76	1,35·02	1,40·85	1,56·08	1,91·60	2,57·89	3,11·60	3,48·06	3,77·77
Territorial and Political Pension.	..	..	·01	·02	·02	·01	·02	·37	·33	·02	·04	·02
Privy purses and allowances of Indian Rulers.	..	·97	·71	·76	·69	·73	·73	8·03	2·48	·68	·72	·72
Stationery and Printing.	27·07	85·77	1,13·22	1,02·50	1,03·87	1,21·38	1,42·62	1,38·03	1,35·42	1,37·42	1,56·26	1,49·61
Forest	40·17	64·25	57·75	55·99	61·21	70·43	77·49	84·27	91·47	91·28	1,02·15	1,02·95
Miscellaneous—												
Expenditure on Bus Service.	..	..	..	..	..	..	..	..	..	..	..	..
Other items ..	4·45	76·55	70·38	1,06·57	1,12·60	1,61·28	1,31·69	2,18·94	2,83·69	2,60·43	2,68·45	2,53·35
Commutation of Pensions.	..	5·08	7·27	7·25	10·96	4·55	5·63	3·06	6·48	2·31	4·88	4·73
Miscellaneous contributions and assignments.	..	..	..	..	..	..	..	2,14·62	2,90·75	3,06·80	3,98·00	3,89·88
Extraordinary charges—												
Net Outlay on State Trading Schemes transferred to the Revenue Account.	..	†	†	†	†	†	†	†	†	†	†	†
Other items	..	6·44	2·71	2·24	2·69	9·70	2·95	2·18	2·34	1·46	10·89	11·30
Total ..	..	6·44	2·71	2·24	2·69	9·70	2·95	2·18	2·34	1·46	10·89	11·30

3

Community Development Projects, National Extension Service and Local Development Works.	..	3,33·53	2,99·68	2,35·47	2,86·47	3,07·88	3,97·57	..	‡	‡	‡	‡
Transfer to Revenue Reserve Fund.	..	..	..	..	..	..	..	..	..	..	..	..
Civil Defence ..	..	..	..	..	..	..	..	..	..	..	..	..
Grand total ..	16,09·72	54,55·81	56,86·66	59,15·02	68,35·37	80,57·70	91,09·43	1,01,79·11	1,21,80·83	1,27,19·35	1,34,00·07	1,40,81·66
Final Revenue Surplus (+) or Deficit (—).	+ 3·73	— 2,46·33	— 63·45	+ 3,41·34	+ 1,59·70	+ 52·95	+ 93·84	— 9,61·27	— 3,84·08	— 2,74·26	— 3,01·96	— 2,34·09

* Working Expenses of the Madras City Bus Service are taken in deduction of the receipts from 1949–50 to 1961–62.

† Shown under Capital Account. The figures are—

..	11,66·50	— 3,68·74	— 5,25·05	76·00	1,18·27	— 92·56	98·80	7·50	39·54	2,02·32	1,86·01

‡ Shown under "37. Community Development Projects, National Extension Service and Local Development Works".

APPENDIX II.

[The figures up to the end of 1953–4 include those relating to the Andhra areas and the figures from 1956–7 take into account the Reorganization of States from the 1st November 1956.]

DETAILS OF CAPITAL EXPENDITURE.

Description of the scheme. (1)	Approximate estimated cost. (2)	1946–7 to 1956–7. (3)	1957–8. (4)	1958–9. (5)	1959–60. (6)	1960–1. (7)	Accounts, 1961–2. (8)	Accounts, 1962–3. (9)	Total, 1946–7 to 1962–3. (10)	1963–64. Budget Estimate. (11)	1963–64. Revised Estimate. (12)	Budget Estimate, 1964–5. (13)
	RS LAKHS.	RS LAKHS.	RS LAKHS.	RS LAKHS.	RS LAKHS.	RS LAKHS.	RS LAKHS.	RS LAKHS.	RS LAKHS.	RS LAKHS.	RS LAKHS.	RS LAKHS.
A. IRRIGATION, NAVIGATION, ETC., SCHEMES.												
Lower Bhavani Project.	9,96·00	10,37·18	·83	— ·61	— 4·95	1·48	1·52	— ·61	10,34·84	·50	— 3·29	— ·09
Mettur Canals Scheme.	2,67·00	1,70·70	7·13	3·31	·50	·14	·48	3·99	1,86·25	..	·34	..
Malampuzha Project.	4,42·00	4,38·73	..	..	..	..	..	..	4,38·73	..	..	
Manimuthar Project.	3,98·00	4,84·64	40·24	14·14	— 6·15	— 7·50	— 3·30	— 2·27	5,19·80	— 4·91	— 2·03	— 2·67
Araniar Project ..	1,04·00	92·44	6·64	·83	·01	— ·37	·01	·01	99·62	..	..	..
Walayar Project ..	1,00·00	99·17	..	..	..	..	..	..	99·17	..	..	..
Mangalam Project ..	88·65	59·65	..	..	..	..	..	..	59·65	..	..	..
Amaravathi Project ..	2,97·00	2,40·63	78·22	14·12	— 5·53	— ·53	— 1·02	— 1·50	3,24·39	— ·53	— ·17	— ·54
Vaigai Reservoir Project.	3,00·00	1,18·54	32·56	19·42	— 96·92	28·87	1·20	5·73	1,89·40	3·29	6·91	5·51
Sathanur Project ..	2,89·00	1,73·10	50·49	14·29	5·22	2·22	·99	19·81	2,66·12	— ·33	·34	— ·07
Krishnagiri Project ..	1,84·00	99·25	38·96	18·24	3·53	— ·31	— ·49	— ·19	1,58·99	·47	— ·38	..
Kattalai High Level Canal Scheme.	1,56·65	1·72	15·34	57·79	98·85	48·57	2·83	1·74	2,26·84	·27	·91	·23
Pullambadi Canal Scheme.	1,42·43	1·91	16·09	64·53	86·43	21·95	7·01	4·12	2,02·04	4·57	2·13	..
Vidur Reservoir Project.	61·37	..	3·50	30·03	25·15	1·15	— 3·46	·91	57·28	·46	·27	— ·19
Meenakarai Reservoir Project.	49·56	·47	..	..	..	..	..	..	·47	..	..	..
Parambikulam-Aliyar Project.	30,00·00	..	..	·92	1,51·84	2,73·76	4,13·27	4,42·56	12,82·35	4,62·35	5,45·00	5,88·29
Neyyar II Stage ..	..	..	·10	1·48	24·32	26·11	28·42	23·29	1,03·72	— ·21	8·53	— 3·96
Improvement to Palar Anicut System.	..	..	..	..	..	..	5·34	14·52	19·36	17·65	14·27	11·18
Sathanur Reservoir Project II Stage.	..	..	..	..	..	..	5·11	..	5·11	8·45	10·07	5·45
Ramanadhi Scheme.	..	..	..	..	..	..	..	..	..	5·00 (for Ramanadhi Scheme to Manjalar)	..	* 10·00
Chittarpattanamkal.	..	..	..	..	..	..	..	..	..		5·00	25·00
Modernising Vaigai Channel.	..	..	..	..	..	..	..	·01	·01		..	..
Gomukhi Nadhi.	..	..	..	..	..	..	..	..	..		15·82	28·53
Manjalar.	..	..	..	..	..	..	..	..	..		4·43	31·86

* Lumpsum provision includes provision for Modernising Vaigai Channel.

Works under the special minor irrigation programme including Tank Improvement Scheme.	..	5,16·88	55·29	85·70	1,38·51	1,70·59	1,77·30	2,18·92	13,63·19	1,98·44	2,29·79	2,06·43
Other Irrigation Schemes (Productive and Unproductive).	*	2,82·12	26·15	32·99	46·99	47·66	28·20	3·24	4,67·35	15·07	19·42	30·41
Irrigation Projects transferred to Andhra and Mysore States.	..	18,73·97	†	†	..	†	..	..	18,73·97	..	..	..
Pro rata charges on Establishments and Tools and Plant.	..	35·78	2·66	·62	3·74	—·29	3·14	4·06	49·71	0·70	..	..
Total ..		57,26·88	3,74·20	3,57·85	5,51·54	6,13·50	6,66·55	7,38·34	90,28·86	7,11·24	8,57·36	9,35·37
B. CAPITAL OUTLAY ON ELECTRICITY SCHEMES. ‡												
Moyar Hydro-Electric Scheme.	..	4,05·90	2·57	..	..	..	..	..	4,08·47	..	..	..
Pykara Hydro-Electric Scheme.	..	13,22·65	60·18	..	..	..	..	..	13,82·83	..	..	..
Mettur Hydro-Electric Scheme.	..	12,29·76	59·45	..	..	..	..	..	12,89·21	..	..	..
Papanasam Hydro-Electric Scheme.	..	10,23·85	70·64	..	..	..	..	..	10,94·49	..	..	..
Periyar Hydro-Electric Scheme.	10,48·00	2,78·85	75·83	..	..	..	..	..	3,54·68	..	..	..
Kundah Hydro-Electric Scheme.	..	1,78·07	43·59	..	..	..	..	..	2,21·66	..	..	..
Madras-Thermal Electric System.	..	15,31·04	70·56	..	..	..	..	..	16,01·60	..	..	..
Other Minor Schemes.	..	62·08	..	..	..	..	..	..	62·08	..	..	..
Schemes transferred to Andhra and Mysore States.	..	15,69·08	..	..	..	..	..	..	15,69·08	..	..	..
Lumpsum provision for payment of compensation for acquisition of electrical undertakings of local authorities and private companies.	..	40·97	·30	..	..	..	..	..	41·27	..	..	..
Total ..		76,42·25	3,83·12	..	..	..	..	..	80,25·37	..	..	..

* Consists of several works some of which have been completed, while others are in progress. Hence no estimated cost is given.

† Does not relate to the present Madras State.

‡ Expenditure incurred by the State Electricity Board with effect from 1st July 1957.

DETAILS OF CAPITAL EXPENDITURE—*cont.*

Description of the scheme.	Approximate estimated cost.	1946–7 to 1956–7.	1957–8.	1958–9.	1959–60.	1960–1.	Accounts, 1961–2.	Accounts, 1962–3.	Total, 1946–7 to 1961–2.	1963–64. Budget Estimate.	1963–64. Revised Estimate.	Budget Estimate, 1964–5.
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
	RS LAKHS.	RS LAKHS.	RS LAKHS.	RS LAKHS.	RS LAKHS.	RS LAKHS.	RS LAKHS.	RS LAKHS.	RS LAKHS.	RS LAKHS.	RS LAKHS.	RS LAKHS.
C. INDUSTRIAL DEVELOPMENT SCHEMES.												
Cinchona Plantations.	..	1,12·40	4·09	4·06	3·64	2·96	2·24	1·72	1,31·11	2·30	1·80	1·60
Kerala Soap Institute.	..	1·30	..	..	..	..	..	..	1·30	..	..	..
Government Industrial Engineering Workshop.	..	·02	..	·96	..	..	..	·18	1·16	1·25	1·40	·03
Fish Liver Oil Industry.	..	1·70	..	..	..	..	..	..	1·70	..	..	..
Madras Vegetable Ghee Factory.	..	12·61	..	..	..	..	..	..	12·61	..	..	..
Government Silk Filatures.	..	3·84	..	..	..	..	..	..	3·84	..	..	..
Polytechnics	..	52·54	13·34	—7·82	..	..	..	..	58·06	..	..	..
Artesian Wells ..	..	14·84	..	1·33	3·03	4·98	2·73	9·19	36·10	4·11	2·35	..
Shares in Fertilizers and Chemicals, Limited, Travancore.	..	21·00	..	..	..	..	..	..	21·00	..	..	..
Shares in Madras Industrial Investment Corporation, Madras.	..	1,21·42	·23	..	..	..	..	..	1,21·65	..	..	25·00
Shares in Dhrangdhara Chemical Works.	..	5·00	..	5·00	..	..	..	..	10·00	..		..
Shares in State Warehousing Corporation.	..	..	..	10·00	..	1·00	..	3·00	14·00	3·00	5·00	6·00
Shares in Co-operative Sugar Factories.	..	26·50	..	10·00	..	..	25·00	15·00	76·50	10·00	10·00	10·00

Other Shares ..	..	30·46	14·20	49·80	6·50	84·00	69·22	1,03·15	3,57·33	46·92	70·42	45·94
Industrial Housing ..	..	17·19	9·43 — 2·49	21·74 — 8·20	15·64 — 7·78	16·59 — 7·02	12·42 — 4·44 }	14·17 — 5·12	72·13	9·86 — 2·74	16·44 — 8·22	14·81 — 5·03
Industrial Estates ..	..	13·11	38·57	30·11	33·76	55·46	26·75	10·73	2,08·49	6·00	14·80	11·55
Small-scale and Village Industries.	..	14·58	65·26	52·13	60·54	10·89	55·75	1,41·30	4,00·45	2,24·32	2,35·34	2,24·06
Stationery and Printing.	..	2·38	4·03	1·17	1·68	·07	·76	..	10·09	..	..	6·77
Bulk acquisition of lands for Housing Schemes.	..	..	..	..	..	8·63	·20	..	8·83	..	..	..
Tractor Hiring Schemes.	..	..	..	..	..	..	11·25	17·47	28·72	12·50	10·50	13·00
Water-supply Schemes for defence Industries Project, Avadi.	..	..	..	..	..	..	7·35	9·04	16·39	58·00	33·74	15·01
Acquisition of Land for Improving Water facilities for Industries.	..	..	..	..	..	..	..	..	..	1,75·00	..	1,59·00
Other items ..	..	38·88	2·20	14·46	1,68·60	..	15·39	10·92	2,50·45	19·95	30·96	85·84
Lumpsum deduction for probable savings.	..	..	..	..	..	..	..	..	..	—50·00	..	..
Total	..	4,89·77	1,48·86	1,84·74	2,85·61	1,77·56	2,24·62	3,30·75	18,41·91	5,20·47	4,24·53	6,13·58

D. CAPITAL OUTLAY ON ROAD TRANSPORT SCHEMES.

Madras City Bus Service.	..	2,02·70	22·59	30·88	69·23	71·24	62·90	14·66	4,74·20	85·24	1,35·52	28·51

E. CAPITAL OUTLAY ON PUBLIC WORKS.

Buildings ..	..	5,74·44	1,50·63	1,93·88	2,47·88	3,23·43	4,06·98	4,28·97	23,26·21	2,53·38	3,40·95	2,71·15
Road Works (including tools and plant and establishment).	..	43·25	72·94	75·58	1,12·14	1,29·89	1,55·33	1,97·57	7,86·70	1,67·23	1,95·42	2,12·80
Grants to Local Bodies for Water-supply.	..	14·75	16·30	— 2·14	— 2·14	— 2·14	— 2·14	— 2·14	20·35	— 2·14	— 2·14	— 2·14
Grants to Local Bodies for Road Works.	..	26·13	31·49	— 3·96	— 3·96	— 3·96	— 3·96	— 3·96	37·82	— 3·96	— 3·96	— 3·96
Pro rata charges for Establishments.	..	6·86	13·56	12·01	15·70	22·84	23·63	54·16	1,48·76	23·83	61·55	60·77
Lumpsum deductions for probable savings.	..	..	..	..	..	..	..	..	..	..	..	..
Total ..	..	6,65·43	2,84·92	2,75·37	3,69·62	4,70·06	5,79·84	6,74·60	33,19·84	4,38·34	5,91·82	5,38·62

DETAILS OF CAPITAL EXPENDITURE—*cont.*

Description of the scheme.	Approximate estimated cost.	1946–7 to 1956–7.	1956–7.	1958–9.	1959–60.	1960–1.	Accounts, 1961–2.	Accounts, 1962–3.	Total, 1946–7 to 1962–3.	1963–64. Budget Estimate.	1963–64. Revised Estimate.	Budget Estimate, 1964–5.
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
	RS LAKHS.	RS LAKHS.	RS LAKHS.	RS LAKHS.	RS LAKHS.	RS LAKHS.	RS LAKHS.	RS LAKHS.	RS LAKHS.	RS LAKHS.	RS LAKHS.	RS LAKHS.
F. COMPENSATION TO ZAMINDARS.												
Advance compensation and interim payments.	..	5,54·67	3·98	68·64	82·40	1,25·59	16·45	12·55	8,64·28	4·50	4·50	2·50
G. CAPITAL OUTLAY ON FORESTS.												
Forest Works ..	..	7·54	17·55	19·51	24·05	29·25	32·99	51·37	1,82·26	58·14	58·50	69·38
H. CAPITAL OUTLAY ON IMPROVEMENTS TO PUBLIC HEALTH.												
Sanitary Works (Stocks).	..	—18·17	11·33	—17·41	—2·72	38·25	42·18	31·92	85·38	27·20	10·08	13·65
Rural Water-supply Schemes.	..	32·98	42·97	40·07	57·00	61·16	21·69	1·52	2,57·39	..	..	..
National Water-supply and Sanitation.	..	9·49	14·61	30·67	30·47	—5·88	7·40	14·03	1,00·79	2·07	2·35	1·08
Grants to Madras Corporation for water-supply.	..	7·29	11·17	—1·26	—1·26	—1·26	—1·26	—1·26	12·16	—1·26	—1·26	—1·26
Deepening of Wells ..	..	..	·11	·66	3·42	2·99	5·19	3·67	16·04	..	·13	..
Total ..	..	31·59	80·19	52·73	86·91	95·26	75·20	49·88	4,71·76	28·01	11·30	13·47
I. CAPITAL OUTLAY ON AGRICULTURAL IMPROVEMENTS AND RESEARCH.												
Acquisition of lands for State Seed Farms.	..	..	2·70	2·67	0·74	1·08	4·16	4·30	15·65	1·25	7·42	14·05

APPENDIX II-A.

[The figures up to the end of 1953–4 include those relating to the Andhra areas. The figures from 1956–7 take into account the Reorganization of States from the 1st November 1956.]

CAPITAL EXPENDITURE OUTSIDE THE REVENUE ACCOUNT OF THE MADRAS STATE—DETAILS GIVEN BY MAJOR HEADS.

Major heads.	1946–7 to 1956–7.	1957–8.	1958–9.	1959–60.	1960–1.	Accounts, 1961–2.	Accounts, 1962–3.	1963–64. Budget Estimate	1963–64. Revised Estimate.	Budget Estimate, 1964–5.
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
	RS LAKHS.	RS LAKHS.	RS LAKHS.	RS LAKHS.	RS LAKHS.	RS LAKHS.	RS LAKHS.	RS LAKHS.	RS LAKHS.	RS LAKHS.
Payment of Compensation to land-holders, etc., on the abolition of the Zamindari System.	5,54·68	3·98	68·64	82·40	1,25·59	16·45	12·56	4·50	4·50	2·50
Capital Outlay on Improvements to Public Health.	31·59	79·49	52·73	92·35	95·26	75·20	49·88	28·01	11·30	13·47
Capital Outlay on Schemes of Agricultural Improvements and Research.	..	2·70	2·67	·74	1·08	4·17	4·30	1·25	7·42	14·05
Capital Outlay on Industrial Development.	3,55·11	38·53	74·24	1,72·42	1,14·51	96·46	1,23·06	63·47	88·62	88·57
Capital Outlay on Irrigation, Navigation, Embankment and Drainage Works (Commercial).	45,36·76	3,08·07	2,57·59	3,74·81	4,04·72	4,71·66	5,13·44	4,97·29	6,11·70	7,01·34
Capital Outlay on Irrigation, Navigation, Embankment and Drainage Works (Non-Commercial).	56·53	66·03	98·78	1,52·41	1,82·67	1,94·89	2,34·90	2,13·95	2,46·38	2,34·74
Capital Outlay on Public Works ..	6,66·20	2,84·92	2,75·37	3,69·62	4,70·06	5,79·84	6,74·60	4,38·34	5,91·82	5,41·51
Capital Outlay on Electricity Schemes.	68,57·99	3,83·12	..	..	..	..	..	..	..	..
Capital Outlay on Other Works Outside the Revenue Account.	1,73·17	1,47·17	1,07·65	1,16·48	1,26·55	1,28·16	2,07·69	4,57·00	3,35·91	5,24·01
Capital Outlay on Road and Water Transport Schemes.	1,89·26	22·59	30·88	69·23	71·24	62·90	14·66	85·24	1,35·52	28·51
Capital Outlay on Forests	7·54	17·55	19·51	24·05	29·25	32·99	51·36	58·14	58·50	69·38
Payments of Commuted Value of Pensions.	..	..	..	..	..	..	..	..	..	..
Capital Outlay on Schemes of Government Trading.	— 28,25·91	1,18·27	1,48·78	— 92·56	77·31	98·80	7·50	39·54	2,02·32	1,86·01
Total ..	1,06,02·92	14,72·42	11,36·84	13,61·95	16,98·24	17,61·52	18,93·95	18,86·73	22,93·99	24,04·09

APPENDIX III.

STATEMENT SHOWING THE DEBT POSITION.

(i) Open Market Loans.

When issued.	Description of loan.	Total amount issued.	Amount outstanding on 30th September 1953.	Amount outstanding on 31st October 1956.	Amount outstanding on 31st March 1963.
(1)	(2)	(3)	(4)	(5)	(6)
		RS LAKHS.	RS LAKHS.	RS LAKHS.	RS LAKHS.

A. Loans raised before the 1st October 1953.

September 1937 and September 1940.	3% Loan, 1952, I and II issues.	2,33·54	·80	·28	·10
September 1938 ..	3% Loan, 1953	1,51·29	15·20	·48	·27
June 1939	3% Loan, 1959	1,50·00	1,23·96	1,23·96	·74
September 1942 ..	3% Loan, 1955	1,25·00	1,23·25	·15	·02
September 1943 ..	3% Loan, 1956	1,25·10	1,25·10	3·12	·06
August 1944	3% Loan, 1958	1,10·00	1,07·95	1,07·92	·10
September 1945 ..	3% Loan, 1960	3,00·00	2,78·44	2,78·44	·03
September 1946 ..	2¾% Loan, 1961 ..	4,09·30	3,81·77	3,81·77	·27
July 1950	3% Development Bonds, 1960. ..	4,39·75	4,38·25	4,38·25	·59
September 1951 ..	3½ % Loan, 1962 ..	3,01·49	3,01·49	3,01·49	1·11
August 1952	4% Loan, 1964	5,24·81	5,24·81	5,24·81	5,24·81
July 1953	4% Loan, 1963	10,33·71	10,33·71	10,33·71	10,33·71
	Total—*A*. ..	39,03·99	34,54·73	31,94·38	15,61·81

B. Loans raised from 1st October 1953 to 31st October 1956.

When issued.	Description of loan.	Total amount issued.	Amount outstanding on 31st October 1956.	Amount outstanding on 31st March 1963.
(1)	(2)	(3)	(4)	(5)
		RS LAKHS.	RS LAKHS.	RS LAKHS.
August 1955 ..	.. 4 per cent loan, 1967 ..	10,47·17	10,47·17	10,47·17
September 1956	.. 4 per cent loan, 1968 ..	13,83·56	13,83·56	13,83·56
	Total—*B*. ..	24,30·73	24,30·73	24,30·73

C. Loans raised after 1st November 1956.

July 1958 ..	.. 4¼ per cent loan, 1970 ..	5,55·57	..	5,55·57
August 1959 ..	.. 4 per cent loan, 1971 ..	8,72·75	..	8,72·75
August 1960 ..	.. 4 per cent loan, 1969 ..	12,20·72	..	12,20·72
September 1961	.. 4½ per cent loan, 1972 ..	10,43·53	..	10,43·53
August 1962 ..	.. 4½ per cent loan, 1974 ..	13,24·99	..	13,24·99
	Total—*C*. ..	50,17·56		50,17·56

STATEMENT SHOWING THE DEBT POSITION—*cont.*

(ii) SPECIAL IRREDEEMABLE LOANS.

	Amount.
	RS
(1) Four bonds bearing interest at 8 per cent per annum issued between the years 1796 and 1807	1,33,000
(2) Two bonds bearing interest at 6 per cent per annum issued in the years 1795 and 1817	10,500
(3) A deposit bearing interest at 6 per cent per annum received in 1817	41,770
(4) A deposit bearing interest at 4 per cent per annum (now treated as an Endowment for the Stanley Hospital, Madras)	66,878
Total—(ii). ..	2,52,148 or 2·52 lakhs.

SUMMARY.

(Open Market loans and Special Irredeemable loans.)

	RS LAKHS.
(1) Share of Madras in the outstanding balance of open market loans raised before 30th September 1953	8,60·24
(2) Share of Madras in the outstanding balance of the open market loans raised after 1st October 1953 and before 31st October 1956	19,78·61
(3) Loans raised after 1st November 1956	50,17·56
	78,56·41
(4) Share of Madras in the open market loans raised by the Travancore-Cochin State before 31st October 1956	52·31
(5) Total liability on account of open market loans as on 31st March 1963 ..	79,08·72
(6) Share of Madras in respect of the irredeemable loans in the population ratio ..	1·29
(7) Total liability as on 31st March 1963 on account of open market loans and special irredeemable loans	79,10·01

Statement showing the Outstanding Balance on 31st March 1963 of Loans taken from the Government of India and Autonomous Bodies.

(The figures for the period prior to 1st November 1956 represents the provisional share of the present reorganized Madras State in the population ratio.)

A. LOANS RECEIVED BY THE MADRAS GOVERNMENT.

(1)	Share of Madras in the outstanding balance on 31st March 1963. (2)
	RS LAKHS.
Pre-autonomy consolidated debt	1,26·33
Loans received from 15th August 1947 to 30th September 1953	16,74·07
Loans received from 1st October 1953 to 31st October 1956	15,26·15
Loans received from 1st November 1956 to 31st March 1963	1,32,50·50
Total—A.	1,65,77·05

B. LOANS RECEIVED BY THE FORMER TRAVANCORE-COCHIN GOVERNMENT.

(1)	Share of Madras in the outstanding balance of loans raised by the former Travancore-Cochin State before 1st November 1956. (2)
	RS LAKHS.
Pre-autonomy debt	1·52
Loans received from 15th August 1947 to 31st October 1956	53·78
Total—B.	55·30

C. OUTSTANDING BALANCE OF LOANS FROM AUTONOMOUS BODIES AS ON 31st MARCH 1963.

	RS LAKHS.
Loans from the National Co-operative Development and Warehousing Board	1,14·30
Loans from the National Agricultural Credit (Long-term Operation) Fund of the Reserve Bank of India	3,13·58
Loans from the All-India Khadi and Village Industries Commission	·30
Loans from the Life Insurance Corporation of India	4,21·55
Total—C.	8,49·73
Grand Total—A+B+C	1,74,82·08

A SUMMARY OF THE LOANS TAKEN FROM THE CENTRAL GOVERNMENT FOR VARIOUS SCHEMES AND OUTSTANDING ON 31st MARCH 1963.

Serial number and description of loan.	Balance outstanding on 31st March 1963.
(1)	(2)
Loans.	
	RS
1 Pre-Autonomy Debt	1,26,32,851
2 Loans for Cochin Harbour Works	1,52,494
3 Loans for the Development of Handloom and Khadi Industry ..	3,43,24,972
4 Loans for the construction of hostel buildings	60,54,664
5 Loans for the Development of Village and Cottage Industries	76,956
6 Loans under the Subsidised Industrial Housing Scheme (including Plantation Labour Housing).	67,17,430
7 Loans for expansion of power facilities	3,20,30,585
8 Loans under the scheme of sharing Small Saving Collections	16,46,28,475
9 Loans for the Development of Small Scale Industries	3,40,65,872
10 Loans for Grow More Food Schemes	9,70,48,244
11 Loans under the Community Development Programme	5,24,57,676
12 Loans under the National Extension Service Programme	32,07,857
13 Loans towards the cost of materials and equipment supplied under T.C.A. Programme—Community Development Programme, Rural Electrification Programme and Tube Well Casing Scheme.	73,85,008
14 Loans for Dairy Development Scheme	55,755
15 Loans for Poultry Development Scheme	..
16 Loans for Forest and Soil Conservation Schemes	1,74,27,918
17 Loans for the construction of Housing Colonies by Weavers' Co-operative Societies.	17,00,653
18 Loans under the Low Income Group Housing Scheme	2,74,45,051
19 Loans under the National Water-supply and Sanitation Schemes ..	2,04,75,954
20 Loans for miscellaneous development purposes	56,14,02,254
21 Loans for financing expenditure on Irrigation Schemes	1,81,66,795
22 Loans under the programme of permanent improvement in scarcity areas.	4,11,56,807
23 Loans for financing Capital Expenditure on Police Housing Scheme ..	2,16,04,080
24 Loans for Co-operative Development (including Loans for Participation in the Share Capital of Co-operatives).	49,20,502

Serial number and description of loan. (1)	Balance outstanding on 31st March 1963. (2)
Loans—cont.	
	RS
25 Loans for the Development of Minor Ports	35,56,929
26 Loans for Famine Relief Works	79,06,279
27 Loans for Cyclone Relief Measures	1,28,48,790
28 Loans for Slum Clearance Scheme..	69,02,581
29 Loans for Development of Handicrafts	11,97,742
30 Loans for Development of Silk Industry	4,59,000
31 Loans for financing expenditure on assistance to low-paid employees of the State Government.	19,21,102
32 Loans under the scheme for the multiplication and distribution of improved seeds.	2,75,802
33 Loans for the Development of Coir Industry	7,40,752
34 Loans under Cotton Extension Scheme	16,50,000
35 Loans under the Scheme of Colonization	84,470
36 Loans for Centrally-sponsored and Centrally-aided Medical and Public Health Schemes.	5,30,13,982
37 Loans for State Development Schemes (Agriculture, etc.)	7,62,49,066
38 Loans for conversion of Handlooms into Powerlooms	6,002
39 Loans for land acquisition and Development Schemes	89,91,673
40 Ways and Means Advance granted to the Composite Madras State treated as loan.	13,47,46,628
41 Loans towards cost of materials and equipment supplied under Colombo Plan for Kundah Project.	8,21,11,951
42 Loans for Development of Large and Medium Industries	16,19,000
43 Loans for Village Housing Project Schemes	14,16,496
44 Loans for setting up of Seasoning and Preservation Plants	6,773
45 Loans for adoption of Metric System of Weights and Measures ..	11,13,939
46 Loans to All-India Officers for house building purposes	13,73,399
47 Loans for Madras Milk Scheme—New Zealand Aid	9,76,272
48 Loans for Animal Husbandry, Dairying and Fisheries Schemes ..	87,48,651
49 Loans for the Development of Fruit Production	1,86,500
50 Loans for the resettlement of landless labourers	13,600
51 Loans for Works Programme for increasing rural man-power ..	3,00,000
52 Loans for rural electrification	8,20,00,000
53 Loans for Housing Schemes	76,79,000
Grand Total ..	1,66,32,35,232

DEBT CHARGES, 1960-61 TO 1964-65.

	Accounts, 1960–61.	Accounts, 1961–62.	Accounts, 1962–63.	Budget Estimate 1963–64.	Revised Estimate, 1963–64.	Budget Estimate, 1964–65.
(1)	(2)	(3)	(4)	(5)	(6)	(7)
			(RS IN LAKHS.)			
Interest—						
Interest on open market loans (Net)	2,14·00	2,48·37	2,87·49	3,13·26	3,13·99	(a)2,96·12
Discount on loans ..	3·05	2·67	3·53	..	..	..
Interest on Ways and Means advances from the Reserve Bank of India	..	..	5·54	5·00	29·00	(b)10·00
Expenditure on the issue of new loans, etc. ..	2·46	2·21	2·86	1·55	1·76	(c)31·85
Interest on loans from the Government of India ..	4,00·21	4,58·87	5,28·07	6,04·50	6,60·84	(d)8,22·84
Interest on loans from autonomous bodies ..	7·30	12·51	18·36	26·51	31·14	39·69
Interest on Provident Funds	30·57	33·77	38·43	42·01	48·62	55·88
Interest on Depreciation Reserve and other interest-bearing deposits	38·44	23·40	19·48	28·32	44·73	33·77
Total—A. ..	6,96·03	7,81·80	9,03·76	10,21·15	11,30·08	12,90·15
B. *Deduct*—Interest on Capital Outlay transferred to other heads.	—2,68·32	—2,95·25	*	..	..	..
Net total—A. — B. ..	4,27·71	4,86·55	9,03·76	10,21·15	11,30·08	12,90·15
C. Sinking Funds—						
Contribution to the loan Depreciation Fund of open-market loans ..	69·41	84·58	1,00·24	1,08·77	1,08·96	(e)1,04·94
Contribution to the General Sinking Fund	3,14·84	15·14	6·33	14·94	14·94	(f)66·09
Total—C. ..	3,84·25	99·72	1,06·57	1,23·71	1,23·90	1,71·03
GRAND TOTAL—DEBT CHARGES (NET) ..	8,11·96	5,86·27	10,10·33	11,44·86	12,53·98	14,61·18

NOTES.—(*a*) The decrease is due to the fact that the Government did not raise any open market loan in 1963–64 and that they discharged the 4 per cent Madras Loan 1963 which fell due for repayment in July 1963.

(*b*) Lumpsum provision for interest charges on the probable short-term borrowings from the Reserve Bank of India.

(*c*) Includes a lumpsum provision of Rs 30 lakhs for charges connected with the issue of the open-market loan in 1964–65.

(*d*) The increase is mainly due to the additional interest payable on the loans to be received in 1963–64.

(*e*) The decrease is due to the fact that no provision has been made for the 4 per cent Madras Loan 1964 which falls due for discharge in August 1964.

(*f*) The increase is mainly due to the additional provision made in respect of the 4½ per cent Madras Loan 1974.

* Shown as receipts under "XVI. Interest".

APPENDIX IV.

[For further details, please *see* the Supplement on the Third Five-Year Plan.]

STATEMENT SHOWING THE DETAILS OF EXPENDITURE ON PLAN SCHEMES OF THE MADRAS STATE UNDER THE THIRD FIVE-YEAR PLAN.

Main heads of development. (1)	Total provision 1961—66. (2) RS LAKHS.	Accounts, 1961–62. (3) RS LAKHS.	Accounts, 1962–63. (4) RS LAKHS.	Budget Estimate, 1963–64. (5) RS LAKHS.	Revised Estimate, 1963–64. (6) RS LAKHS.	Budget Estimate, 1964–65. (7) RS LAKHS.
I. Agriculture and Community Development—						
Agricultural Production ..	9,66	1,04	1,26	1,57	1,90	2,47
Land Development.	1,01	21	33	23	21	23
Minor Irrigation Projects ..	12,80	2,98	3,12	3,65	4,06	3,46
Animal Husbandry.	3,52	36	49	56	61	67
Dairying and Milk-supply ..	2,75	79	95	1,02	1,08	71
Fisheries ..	2,22	24	27	59	53	55
Forests	2,12	29	43	54	55	63
Soil Conservation.	2,50	48	40	54	47	57
Marketing and Warehousing ..	40	2	6	4	6	7
Community Development Projects	20,46	4,17	5,44	4,20	4,49	4,48
Co-operation ..	4,71	1,21	1,32	91	96	98
Total—I. ..	62,15	11,79	14,07	13,85	14,92	14,82
II. Irrigation and Power—						
Irrigation ..	27,42	4,64	5,17	4,97	6,12	6,99
Power Projects ..	1,00,19	18,20	19,61	20,75	25,00	25,00
Total—II. ..	1,27,61	22,84	24,78	25,72	31,12	31,99
III. Industry—						
Large and Medium Industries ..	3,35	9	12	4	18	12
Handlooms ..	8,00	1,43	1,61	1,38	1,41	1,48
Small-scale Industries	8,00	80	1,48 }	* 2,35	{ 1,38	1,87
Industrial Estates.	3,20	42	1,06 }		{ 1,83	1,48
Handicrafts ..	60	4	4	9	5	11
Coir	15	1	1	4	..	..
Sericulture ..	13	1	3	3	3	7
Khadi and Village Industries ..	8	..	1	2	1	2
Total—III. ..	23,51	2,80	4,36	3,95	4,89	5,15

* Takes into account a lumpsum savings of Rs 50 lakhs in the Budget Estimate, 1963-64.

STATEMENT SHOWING THE DETAILS OF EXPENDITURE ON PLAN SCHEMES OF THE MADRAS STATE UNDER THE THIRD FIVE-YEAR PLAN—*cont.*

in heads of development.	Total provision 1961—66.	Accounts, 1961–62.	Accounts, 1962–63.	Budget Estimate, 1963–64.	Revised Estimate, 1963–64.	Budget Estimate, 1964–65.
(1)	(2)	(3)	(4)	(5)	(6)	(7)
	RS LAKHS.	RS LAKHS.	RS LAKHS.	RS LAKHS.	RS LAKHS.	RS LAKHS.
IV. Transport and Communication—						
Roads	11,00	2,20	2,42	2,34	2,47	2,21
Tourism	26	..	3	..	1	2
Total—IV.. ..	11,26	2,20	2,45	2,34	2,48	2,23
V. Education—						
Education ..	25,43	2,59	4,21	5,39	5,72	7,19
Cultural activities	21	2	3	2	4	4
Technical Education.	6,52	73	1,58	* 1,29	1,86	1,60
Total—V. ..	32,16	3,34	5,82	6,70	7,62	8,83
VI. Health—						
Water-supply and Drainage—						
Corporation ..	2,00	46	65	1,45	1,15	1,80
Water-supply—Urban ..	7,50	1,13	1,14	1,05	1,10	1,05
Water-supply—Rural	1,50	38	16	4	4	2
Other Health Schemes ..	10,50	3,04	2,75	2,52	2,82	2,30
Total—VI. ..	21,50	5,01	4,70	5,06	5,11	5,17
VII. Welfare of Backward Classes ..	3,26	75	97	74	96	99
VIII. Social Welfare ..	52	..	4	5	4	5
IX. Labour Welfare ..	1,33	9	22	41	32	33
X. Housing and Urban Development ..	7,00	1,14	1,25	92	89	76
XI. Statistics	24	..	2	3	4	11
XII. Miscellaneous ..	35	4	2	6	7	10
Grand Total ..	2,90,89	50,00	58,70	59,83	68,46	70,53

* Takes into account a lumpsum savings of Rs 25 lakhs.